REMARKS

Applicant requests favorable reconsideration and allowance of this application in view of the foregoing amendments and the following remarks.

Claims 1, 5, 15, 17, and 19-22 are pending in this application, with Claims 1, 15, 17, 19, 21, and 22 being the independent claims.

Claims 2-4, 6-14, 16, and 18 have been cancelled without prejudice. Claims 1, 5, 15, and 17 have been amended and Claims 19-22 have been added. Applicant submits that no new matter has been added.

Claims 1-18 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,805,700 (Nardone et al.) in view of U.S. Patent No. 5,412,730 (Jones). Applicant respectfully traverses this rejection for the reasons discussed below.

As recited in independent Claim 1, the present invention includes, *inter alia*, the features of extracting bits at predetermined discrete positions from each of plural codes, encrypting the bits at the predetermined discrete positions without encrypting the remaining bits not extracted, and combining the bits at the predetermined discrete positions of each code that were encrypted with the remaining bits that were not encrypted. Independent Claims 15 and 17 recite similar features.

Applicant submits that <u>Nardone et al.</u> fails to disclose or suggest at least the abovementioned features. In particular, Applicant submits that <u>Nardone et al.</u> discloses that the start code of a group of pictures or a particular frame of Basic Transfer Unit (BTU) is encrypted, or the fraction of BTUs of an I-frame or P-frame is encrypted (see col. 1, lines 51-59). However, Applicant submits that it fails to disclose or suggest encrypting the bits at predetermined discrete positions of each code that were extracted without encrypting the remaining bits of the code that were not extracted.

Likewise, <u>Jones</u> also fails to disclose or suggest at least the above-mentioned feature. That patent discloses turn-on or turn-off of encryption is controlled by a command in a data transmission system for transmitting data from a transmitting station 11 to a receiving station 12 (see col. 5, lines 5-14, and Fig. 1), but it does not disclose or suggest at least the feature discussed above.

For the foregoing reasons, Applicant submits that the present invention recited in Claims 1, 15, and 17 is patentable over the cited art.

Newly submitted independent Claims 19, 21, and 22 recite similar features. For example, Claim 19 recites extracting bits at predetermined bit positions from each of plural input pixels and encrypting the bits at the predetermined bit positions of each pixel that were extracted without encrypting the bits at remaining bit positions of the pixel that were not extracted. Applicant submits that the new claims are patentable for similar reasons to Claims 1, 15, and 17.

The dependent claims are believed patentable for at least the same reasons as the independent claims they depend from, as well as for the additional features they recite.

For the foregoing reasons, this application is believed to be in condition for allowance.

Applicant requests favorable consideration, withdrawal of the outstanding rejection, and an early Notice of Allowance.

Applicant's undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should be directed to our below-listed address.

Respectfully submitted,

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